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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/825,960

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EXAMINER

EBERSMAN, BRUCE I

ART UNIT

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3691

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/825,960	Applicant(s) VANFLEET ET AL.	
	Examiner BRUCE I. EBERSMAN	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 31 March 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-9, 19-26, 34 and 35 is/are pending in the application.
- 4a) Of the above claim(s) 10-18, 27-33 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-9, 19-26, 34 and 35 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Applicant filed an amendment on 3/31/09 amending claims 1, 19 and adding claims 34, 35. Claims 10-18, and 27-33 are withdrawn pursuant to a restriction requirement. Thus, claims 1-9, 19-26 and 34,35 are pending. After careful consideration of the applicant's amendments and arguments, the examiner finds them to be moot in view of new grounds of rejection.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Supreme Court precedent, and recent Federal Circuit decisions, a § 101 process must (1) be performed by a machine (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

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In the instant claims 1-9, Applicant amended the independent claim to include a processor at a payment network. However, the claims are still not compliant for the following reason.

Applicant has integrated a processor into the claims. However, the processor is not clearly a computer. The specification in some instances states that a processor is a component of a communications device. (p.5) However, it also could be a transaction processor or merchant processor, see pages 13, 14. If the preamble is directed to a computerized method, the computerized or similar hardware should be in the body of the claims, performing the critical steps.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 4, 5, 7,8, 9, 19,23, 24 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Publication 20040117300 to Jones in view of 2003/0191715 to Pinizzotto, Washington Shopping Plate Associates. (3 pages October 2005, cited for it's references dating the 1960's. and US Patent Publication 2005/0021363 to Stimson

As per claims 1, 19, Jones discloses;

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receiving, at a payment network, having a processor and in response to a transaction being conducted using a private label card at a merchant, (0033, 0034, network is used) a first information packet from the merchant, the first information packet including a cost of the transaction between the merchant and a customer (0034, transaction of merchant when used as a private label card is routed to issuer via private label network.) and a private label card account identifier for the account associated with the private label card presented by the customer as a payment for the transaction, (0025) using the private label card account identifier to determine, with the processor in the payment network, account information that identifies a maintained at a financial institution that is separate from the merchant and merchant consortium (0006, merchants and associated affiliates)

Jones does not explicitly teach; (debit based transaction information) and that identifies authorization information that allows debit access to the identified financial account; generating, at the processor in the payment network, a second information packet comprising the transaction cost information, the account information, and the authorization information; and transmitting from the payment network, the second information packet to the financial institution with a request to perform a debit transaction from the identified financial account for the cost of the financial (fig. 2, #31 and 0034, makes appropriate inquiry of bank or credit processing station concerning the availability of funds in the bank for a debit card transaction) so that the cost of transaction conducted against the account of the private label card is authorized and paid by the separate financial

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institution based on a debit transaction against the separate financial account. (0035-8, states that processing steps are well known (0037), 0058, private label card) separate financial account of the customer

Further, Jones alludes to private label cards being usable at Sears and affiliates but, not explicitly merchant consortiums.

Pinizotto teaches;

and that identifies authorization information that allows debit access to the identified financial account; (0033-34 determine availability of funds at account number specified, works for debit or credit)

generating, at the processor in the payment network, a second information packet comprising the transaction cost information, the account information, and the authorization information; and

transmitting from the payment network, the second information packet to the financial institution with a request to perform a debit transaction from the identified financial account for the cost of the financial

(fig. fig. 2, #31 and 0034, makes appropriate inquiry of bank or credit processing station concerning the availability of funds in the bank for a debit card transaction)

so that the cost of transaction conducted against

the account of the private label card is authorized and paid by the financial institution

based on a debit transaction the financial account. (0035-8, states that processing steps are well known (0037), 0058, private label card)

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It would therefore have been obvious to combine the Private card which has flexibility as a result of Master Card branding with the debit card principals of Pinizzotto for the motivation of utilizing debit cards versus credit cards for private label application so as to avoid the cost of credit card processing and further assure that payment will be made (0004)

Jones and Pinizzotto do not explicitly provide a clear indication of a merchant consortium, (one is alluded to in the sense that Sears and affiliates could be a consortium, ie the definition of affiliates could included affiliation with a group of members of an organization.)

separate account debiting, ie. the account of the private label card is authorized and paid by the separate financial institution based on a debit transaction against the separate financial account. (0035-8, states that processing steps are well known (0037), 0058, private label card), separate financial account of the customer

The: Washington Shopping Plate as a consortium of merchants dating to the 1950's offering a charge card usable at several department stores. (see 3 page article and , secondary citing). It would have been obvious one of ordinary skill in the art at the time of the invention to combine the dual card which works as a private or non-private label card of Jones with the debit card teachings of Pinizzotto and to apply this concept of debit card processing to a consortium of merchants (like Jones's affiliates) for the purpose of allowing multiple merchants to accept the same private store card so as to by-pass or limit transaction costs and yet avoid having to have a separate card for each store in the customers pocket.

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Jones, Pinizotto, and Washington shopping plate do not explicitly disclose;

ie a private account where a separate institution holds the account which is debited against for transactions. (paraphrased)

Stimson teaches;

the account of the private label card is authorized and paid by the separate financial institution based on a debit transaction against the separate financial account. (0035-8, states that processing steps are well known (0037), 0058, private label card) separate financial account of the customer (0021,22, ie this reference also can transfer set amounts to charity for example, but the debit concept is the same.

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the private label credit disclosure of Jones with the debit specific teachings of Stimson to provide a private label debit card for the motivation of providing a manner of payment where credit is not required to be offered. (0002)

Claim 19 is rejected for the same reasons as claim 1, however, claim 19, adds the following elements disclosed in Jones.

A communications device, processor, storage and memory, computer readable media.
(Jones, 0047, 61, claim 35, etc.)

(debit transaction from the identified financial account) for the cost of the transaction between the merchant and the customer using the private label card

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As per claims 4, Jones discloses;

wherein the first information packet

further includes a credential received from the customer, the method further comprising determining, with the payment network, that the credential is associated with the private label card account identifier. (0014,0022,0025)

Jones does not explicitly disclose a credential (like a PIN).

Pinizzotto teaches a PIN number credential. (0030).

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the debit based authorization including a PIN of Pinizzotto for the motivation of using a card which would allow for more ready payment versus credit where the payment might be more easily disputed. (0004)

As per claims 5,25, Jones discloses a primary account number. (0022) Jones does not explicitly disclose a PIN number.

Pinizzotto teaches a PIN number credential. (0030).

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the debit based authorization including a PIN of Pinizzotto for the motivation of using a card which would allow for more ready payment versus credit where the payment might be more easily disputed. (0004)

As per claims 7, 23, Jones, Pinizzotto, Washington Shopping Plate and do not explicitly disclose a debit based system. (Jones only debits, Pinizzotto systems using debits)

Stimson teaches a debit based system

wherein the second information packet

is transmitted to the financial institution over a debit system. (0021, 22 describe a debit based system, see also title.)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card disclosure of Jones with the debit system of Stimson for the motivation of using a debit based system to facilitate purchases, creating a system where the participants do not need credit. (0002)

As per claims 8,24, Jones does not explicitly disclose;

wherein the second information packet

is transmitted directly to the financial institution from the payment network.

Pinizzotto teaches;

wherein the second information packet

is transmitted directly to the financial institution from the payment network.(0011)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card disclosure of Jones with the debit based packet information of Pinizzotto for the motivation of using a card which would allow for more

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ready payment versus credit where the payment might be more easily disputed. (0004)

As per claims 9, 26, Jones discloses; further comprising crediting, with the payment network, a loyalty program for the customer in response to execution of the financial transaction. (0024, loyalty programs disclosed in several contexts in the app.)

As per claim 34, Jones, Pinezzotto and Washington Shopping Plate and Stimson do not explicitly disclose wherein the separate financial account of the customer maintained at the financial institution is a demand deposit account.

Stimson teaches deposit accounts at banks such as a non-interest bearing demand account. (0053)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the private label credit disclosure of Jones with the debit specific teachings of Stimson to provide a private label debit card for the motivation of providing a manner of payment where credit is not required to be offered. (0002)

As per claim 35, Jones, Pinezzotto and Washington Shopping Plate and Stimson do not explicitly disclose, allocating among identified financial accounts.

Stimson teaches allocation among accounts (0006,0018, for charities).

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the private label credit disclosure of Jones with the debit specific teachings of Stimson to provide a private label debit card for the motivation of providing a manner of payment where credit is not required to be offered. (0002)

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Claims 2-3,6,20-22 are rejected under 35 U.S.C. 103(a) over US Patent Publication 20040117300 to Jones in view of 2003/0191715 to Pinizzotto in further view of the Washington Shopping Plate Associates. (3 pages October 2005, cited for it's references dating the 1960's) and Stimson and further in view of US Patent Publication 20020178112 to Goeller

As per claims 2, 20, Jones does not explicitly disclose;

receiving, at the payment network, a response from the financial institution indicating approval or denial of the debit transaction; and

transmitting, from the payment network, an authorization code to the merchant indicating approval or denial of the financial transaction in accordance with the response received from the financial institution.

Pinizotto teaches;

receiving, at the payment network, a response from the financial institution indicating approval or denial of the debit transaction; and (0035, payment verification)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the debit based authorization of Pinizotto for the motivation of using a card which would allow for more ready payment versus credit where the payment might be more easily disputed. (0004)

Jones, Pinizotto and Washington Shopping Plate and Stimson do not explicitly disclose; transmitting, from the payment network, an authorization code to the merchant indicating approval or denial of the financial transaction in accordance with the response

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received from the financial institution.

Goeller teaches;

transmitting, from the payment network, an authorization code to the merchant indicating approval or denial of the financial transaction in accordance with the response received from the financial institution. (table 2, under processing code, see also 0041, authorization is common with Check clearing for example)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the authorization code teachings of Goeller for the motivation of ensuring the payment will likely be made for a debit based transaction, avoiding merchant losses. (0004)

As per claims 3,21, Johnson, Pinezotto, Washington Shopping Plate and Stimson do not explicitly disclose; performing, with the payment network, a risk analysis of the financial transaction; and determining, with the payment network, whether to provide a guarantee of the

financial transaction to the merchant based on the risk analysis, wherein the authorization code further reflects whether the guarantee is provided.

Goeller teaches;

performing, with the payment network, a risk analysis of the financial transaction; and determining, with the payment network, whether to provide a guarantee of the financial transaction to the merchant based on the risk analysis,

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wherein the authorization code further reflects whether the guarantee is provided.

(0041, table 2)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the authorization code teachings of Goeller for the motivation of ensuring the payment will likely be made for a debit based transaction, avoiding merchant losses. (0004)

As per claims 6, 22, Jones, Pinezzotto and Washington Shopping Plate and Stimson do not explicitly disclose an ACH network clearing.

Goeller teaches the ACH network.

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the Ach network teachings of Goeller for the motivation of ensuring the payment will likely be made for a debit based transaction, avoiding merchant losses. (0004)

Response to Arguments

Applicant filed an amendment on 3/31/09 amending claims 1, 19 and adding claims 34, 35, Claims 10-18, and 27-33 withdrawn pursuant to a restriction requirement. Thus, claims 1-9, 19-26 and 34,35 are pending. After careful consideration of the applicant's

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amendments and arguments, the examiner finds them to be moot in view of new grounds of rejection.

The examiner furnishes the Stimson reference in view of applicant's amendment which differentiates the independent claims, by specifying that the claims are to a debit based feature which is at a separate financial institution at a separate financial account.

While the reference of Pinizotto was relevant to debit cards, the teaching of a separate financial institution and account was not clearly indicated.

Goeller was added to provide the feature of "authorization code"

Conclusion

3. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to BRUCE I. EBERSMAN whose telephone number is (571)270-3442. The examiner can normally be reached on 630am-5pm, Monday-Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Alexander Kalinowski/
Supervisory Patent Examiner, Art Unit 3691

Bruce I Ebersman
Examiner
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